

New Zealand Gazette

WEDNESDAY, 31 MAY 2017 — No. 57

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Using the Gazette

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GOVERNMENT NOTICES

Authorities/Other Agencies of State

Notice of Determination of Default Price-Quality Regulation Applicable to Gas Pipeline Businesses

The Commerce Commission ("Commission") gives the following notice under Part 4 of the Commerce Act 1986 ("Act").

Notice of determination

- On 29 May 2017, the Commission made the Gas Distribution Services Default Price-Quality Path
 Determination 2017 [2017] NZCC 15 ("GDB DPP Determination") and the Gas Transmission Services Default
 Price-Quality Path Determination 2017 [2017] NZCC 14 ("GTB DPP Determination), under section 52P of the
 Act.
- 2. The determinations set out the default price-quality paths applicable to regulated suppliers of gas distribution and gas transmission services ("gas pipeline businesses"). The GDB DPP Determination applies to the gas distribution services provided by Gasnet Limited ("Gasnet"), Powerco Limited ("Powerco"), Vector Limited ("Vector"), and First Gas Limited ("First Gas"). The GTB DPP Determination applies to the gas transmission services provided by First Gas.
- 3. The determinations are made in accordance with the Commission's input methodologies applicable to gas pipeline businesses, as specified in the *Gas Distribution Services Input Methodologies Determination 2012* [2012] NZCC 27 and the *Gas Transmission Services Input Methodologies Determination 2012* [2012] NZCC 28.
- 4. This notice summarises the determinations in accordance with section 52P(7)(b) of the Act.

Summary of the determinations

- 5. The determinations apply for the regulatory period starting 1 October 2017 and expiring on 30 September 2022
- 6. The starting prices (expressed in the form of maximum allowable revenue for the gas distribution businesses and actual net allowable revenue for the gas transmission business) for purposes of the price paths of each of the regulated gas pipeline businesses, rounded to the nearest million, are set out below.

Gas distribution services:

Gasnet: \$4m.Powerco: \$47m.Vector: \$44m.First Gas: \$22m.

Gas transmission services

- First Gas: \$122m.
- 7. The annual rate of change relative to CPI is 0% for all gas pipeline businesses.
- 8. During each assessment period within the regulatory period, gas pipeline businesses must comply with the following quality standards as applicable:
 - 8.1. all gas pipeline businesses must respond to all emergencies within 180 minutes;
 - 8.2. all gas distribution businesses must respond to at least 80% of emergencies within 60 minutes; and

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- 8.3. First Gas transmission may not have any major interruptions on its transmission assets.
- 9. All gas pipeline businesses must report certain transaction to the Commission within 30 working days of the transactions occurring. First Gas transmission must also inform the Commission of any major interruption on its transmission assets within 5 working days of the termination of the interruption.
- 10. Each gas distribution business must submit a compliance statement to the Commission within 50 working days following the end of each assessment period during the regulatory period, stating whether it has complied with its price path and quality standards.
- 11. First Gas transmission must submit two compliance statements to the Commission during the regulatory period. The first, relating to its price setting, is due before the start of each assessment period, and the second, relating to its wash-up calculation and quality standards, is due within 50 working days following the end of each assessment period.
- 12. For all gas distribution businesses the first assessment period is for a period of 12 months, from 1 October 2017 to 30 September 2018, and all subsequent assessment periods are for the year ending 30 September.
- 13. All gas pipeline businesses may submit proposals for a customised price-quality path determination at any time before 1 October 2021.

Further information

14. Copies of the determinations and reasons paper are available on the Commission's website at www.comcom.govt.nz/regulated-industries/gas-pipelines/gas-default-price-quality-path/2017-2022-gas-dpp, and for inspection free of charge, or for purchase at a reasonable price, at the Commission's Office at 44 The Terrace, Wellington (during ordinary office hours).

Dated at Wellington this 31st day of May 2017. COMMERCE COMMISSION.

2017-au2686

